

Message Text

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EUR/EE: JMANDEL

EB/IFD/ODF: EMLINTON

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FM SECSTATE WASHDC

TO AMEMBASSY WARSAW

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E.O. 11652: N/A

TAGS: APUB PL

SUBJECT PRESS RELEASE ON EXIMBANK LOAN TO POLAND

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE THREE CREDITS TOTALLING \$15,741,602 TO BANK HANDLOWY W WARSZAWIE, S.A. (HANDLOBANK). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, FRIDAY, DECEMBER 14, 1973.

QUOTE: EXIMBANK SUPPORTS \$35 MILLION SALE OF U.S. EQUIPMENT WITH THREE CREDITS TO POLAND

TO HELP FINANCE \$34,981,338 IN SALES OF U.S. GOODS AND SERVICES TO POLAND, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED THREE CREDITS TOTALLING \$15,741,602 TO BANK HANDLOWY W WARSZAWIE, S.A. (HANDLOBANK).

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ONE EXIMBANK LOAN OF \$10,535,625 WILL FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS OF \$23,412,500 FOR GOODS AND SERVICES FOR A

MEAN PACKING PLANT IN RAWA MAZOWEICKA, ABOUT 50 MILES SOUTHWEST OF WARSAW. A LOAN OF \$10,535,625 FROM PRIVATE U.S. SOURCES NOT YET DESIGNATED WILL FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS AND THE BORROWER WILL MAKE CASH PAYMENT OF 10 PERCENT OR \$2,341,250.

THIS IS THE THIRD MEAT PROCESSING PLANT ASSISTED THROUGH EXIMBANK FINANCING FOR WHICH A.EPSTEIN COMPANIES, INC., OF CHICAGO, ILLINOIS, WILL BE THE U.S. SUPPLIER. CONSTRUCTION OF THE PLANT WILL BEGIN IN MAY 1974. TOTAL ESTIMATED COST OF THE PROJECT IS \$31.5 MILLION AND THE PLANT WILL HAVE FACILITIES FOR THE SLAUGHTER OF HOGS, BEEF, AND CALVES.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN JULY 10, 1976, WITH EXIMBANK'S DIRECT LOAN OF \$10,535,625 TO BE REPAID IN THE LAST 10 INSTALLMENTS.

THE SECOND EXIMBANK CREDIT TO HANDLOBANK IS FOR \$4,378,500 AND WILL FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS OF \$9,730,000 FOR EQUIPMENT, SPARE PARTS, SERVICES AND TECHNOLOGY REQUIRED FOR A PLANT TO MANUFACTURE POWER THYRISTORS AND RECTIFIERS. ADDITIONAL FINANCING OF \$4,378,500 WILL BE PROVIDED BY CHEMICAL BANK, NEW YORK, TO FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS AND THE BORROWER WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OF THE U.S. COSTS OR \$973,000.

HANDLOBANK WILL ASSIST UNITRA TO EXTEND THE MANUFACTURING CAPABILITY OF THE POLISH ELECTRONICS AND SEMICONDUCTOR INDUSTRY WITH A NEW PLANT IN PIASECZNO, NEAR WARSAW, FOR THE PRODUCTION OF HIGH POWER THYRISTORS AND RECTIFIERS -- SOLID STATE DEVICES UTILIZED FOR CONTROL OF ELECTRIC POWER RAHTER THAN FOR ELECTRONICS APPLICATIONS. ZAKLADY ELEKTRONOWE LAMINA, AND EXPERIENCED MANUFACTURING ORGANIZATION, WILL OPERATE THE NEW FACILITY. WESTINGHOUSE ELECTRIC CORPORATION OF PITTSBURGH, PENNSYLVANIA, WILL PROVIDE EQUIPMENT, ENGINEERING SERVICES AND NECESSARY T TECHNOLOGY.

THE LOANS ARE TO BE REPAID IN 16 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN JULY 10, 1976, WITH EXIMBANK'S DIRECT
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LOAN OF \$4,378,500 TO BE REPAID OUT OF THE LAST 8 INSTALLMENTS.

THE THIRD EXIMBANK CREDIT TO HANDLOBANK IS FOR \$827,477 AND WILL FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS OF \$1,838,838 FOR U.S. MACHINERY TO PRODUCE AUTOMOBILE WHEEL DISCS. A LOAN OF \$827,477 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL ALSO FINANCE 45 PERCENT OF THE U.S. COSTS AND THE BORROWER WILL MAKE CASH PAYMENT OF 10 PERCENT OF \$183,884.

VERSON ALLSTEEL PRESS COMPANY OF CHICAGO, ILLINOIS, WILL BE

THE U.S. SUPPLIER OF EQUIPMENT WHICH IS SCHEDULED FOR DELIVERY IN LATE SEPTEMBER 1974.

THE LOANS ARE TO BE REPAID IN 10 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN MAY 5, 1975, WITH EXIMBANK'S DIRECT LOAN OF

\$827,477 TO BE REPAID OUT THE LAST FIVE INSTALLMENTS.

INTEREST ON ALL THREE OF EXIMBANK'S CREDITS IS TO BE AT THE ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES AND REPAYMENT ON THE THREE CREDITS IS TO BE GUARANTEED BY THE GOVERNMENT OF THE POLISH PEOPLE'S REPUBLIC. UNQUOTE RUSH

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